

HARVEST Canadian Income Growth Fund

September 30, 2010

TSX symbol: HCF.UN
HCF.WT

Investment Objectives

The investment objectives are to provide Unitholders with monthly distributions and the potential for capital appreciation over the course of the business cycle by investing in an actively managed portfolio comprised primarily of dividend-paying securities.

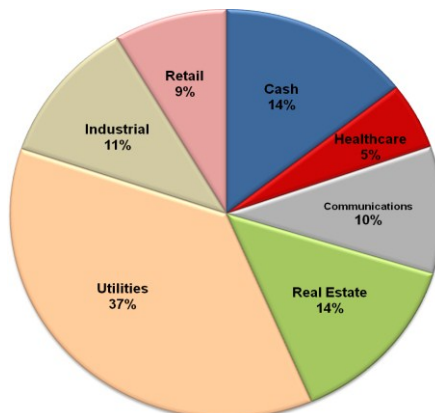
Fund Facts

| | |
|---------------|------------------------------|
| Sub Advisor | Avenue Investment Management |
| Assets | \$36.9 million |
| NAV | \$12.21 |
| NAV (diluted) | \$11.95 |
| Market Price | \$11.45 |
| Current Yield | 7.34% |
| Distribution | .07 cents per unit monthly |

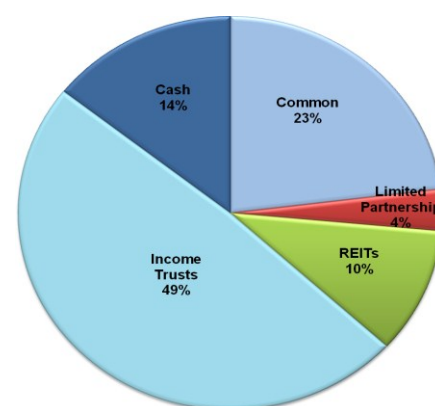
Top 25 Holdings

| | |
|------------------------------------|---------------|
| Cash | 14.37% |
| Westshore Terminals Income Fund | 5.51% |
| Transalta Corporation | 4.95% |
| Davis & Henderson Income Fund | 4.78% |
| Pembina Pipeline Income Trust | 4.51% |
| Keyera Facilities Income Fund | 4.19% |
| Artis Real Estate Investment | 4.19% |
| Bell Aliant Regional Communication | 4.17% |
| Whiterock Real Estate Investment | 3.87% |
| Capital Power Income | 3.74% |
| BCE Inc. | 3.71% |
| Medical Facilities Corporation | 3.50% |
| Liquor Stores Income Fund | 3.48% |
| Fort Chicago Energy Class A | 3.42% |
| Rogers Sugar Income Fund | 3.09% |
| Cineplex Galaxy Income Fund | 2.67% |
| K Bro Linen Income Fund | 2.46% |
| Bird Construction Income Fund | 2.33% |
| North West Company Fund | 2.32% |
| Extendicare Real Estate Investment | 2.27% |
| Just Energy Income Fund | 2.24% |
| Telefonica Sa | 2.19% |
| Superior Plus Corporation | 2.11% |
| Annaly Capital Management | 1.92% |
| Altria Group Inc. | 1.80% |
| Total | 93.83% |

Sector Allocation Mix



Investment Allocation



Distributions (per trust unit)

| | |
|--------------------------------|--------|
| Since Inception, June 29, 2010 | \$0.21 |
|--------------------------------|--------|

Mutual Fund Conversion

| | |
|------|---------------|
| Date | June 20, 2012 |
|------|---------------|

Warrant Expiry Time

| | |
|------|-------------------|
| Date | November 30, 2011 |
|------|-------------------|

Commentary:

During the 3rd quarter of 2010, Avenue Investment Management focused on effectively allocating the initial capital of the Harvest Canadian Growth & Income Fund to implement the stated strategy and objectives. The fund benefited due to the improved outlook of two significant concerns. The fears of both a European sovereign debt collapse and an immediate double dip recession in the U.S. continued to diminish. This improved investor appetite which resulted in equity markets rallying through to the end of the quarter.

The desire for yield in the present low inflation environment created an increased demand for companies that offered a consistent and growing dividend. The fund's exposure to the utility sector allowed it to perform strongly over the quarter as companies in this sector generally provide both consistent free cash flow and dividends. This characteristic makes them very attractive to investors who believe we are experiencing a weak global economic recovery.

We continue to believe that Canadian companies in "non-cyclical" sectors offer attractive yield opportunities. During the quarter we saw strong inflows into these sectors. The Canadian market will also continue to see the reallocation of capital from the income trust sector to dividend paying companies over the 4th quarter.

The fund will continue to stay invested and look for Canadian companies primarily in the utilities, communications, real estate, and retail sectors.

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Disclaimer – Certain statements included above constitute forward-looking statements ("FLS"), including, but not limited to, those identified by the expressions "believe", "will" and similar expressions. The FLS are not historical facts but reflect the manager's current expectations regarding future results or events including, but not limited to, the development of the Canadian economy. These FLS are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. Although the manager believes that the assumptions inherent in the FLS are reasonable, FLS are not guarantees of future performance. Readers are cautioned not to place undue reliance on such statements. For a complete disclosure record of the Fund, please visit the Fund's profile at www.sedar.com. The manager undertakes no obligation to update publicly or otherwise revise any FLS or information except as required by law.

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PORTFOLIOS GROUP